Consumer Price Index

Inflation up slightly in December….

Alberta's year-over-year CPI inflation rate increased to 0.8% in December from 0.1% in November. This increase was largely due to energy prices, which were 4.6% higher than a year earlier. Gasoline and natural gas prices were up 10.2% and 3.5%, respectively, on a year-over-year basis. Excluding energy, prices were up 0.5% from December 2009 and excluding energy and food, prices were up 0.4% from a year ago.

Nationally, inflation was up 2.4% in December from 2.0% in November. Energy prices were the main contributor to the increase with a growth rate of 10.5% from December 2009. Excluding energy, the Canadian CPI advanced 1.7% from a year ago (the same rate as November).

Average Weekly Earnings

Wages increased in November…

Alberta's average weekly earnings rose 0.7% in November to a seasonally adjusted level of $1016.27 following an increase of 1.3% in October. This increase was driven by gains in the arts, entertainment and recreation industries (10.3%), information and cultural industries (7.3%) and public administration (2.9%) sectors. In comparison to November 2009, average weekly earnings increased by 5.6%. On a year-to-date basis, average weekly earnings were up 4.5% in November (seasonally adjusted).

Nationally, average weekly earnings rose 0.3% in November to a seasonally adjusted level of $865.17 as gains were experienced in all the provinces except Nova Scotia, Saskatchewan and British Columbia. On a year-to-date basis, average weekly earnings in Canada were up 3.5%. Alberta's average weekly earnings remain the highest in Canada.

Canadian Dollar (US¢/C$)	
January 28, 2011	100.10
January 21, 2011	100.55
2010-11 YTD	97.74
WTI Oil US$/bbl	
January 28, 2011	$ 89.34
January 21, 2011	$ 89.11
2010-11 YTD	$ 80.65
Nymex Natural Gas C$/MMBtu*	
Near-month Contract	
January 28, 2011	$4.31
January 21, 2011	$4.63

*Estimate based on Nymex Futures Market Price

Purchasing Power Parities

Canada's purchasing power with US declines slightly in 2009…

Canada's purchasing power parity (PPP) for the total economy with the United States rose from 0.83 in 2002 to 0.90 in 2008 before dropping to 0.88 in 2009. The PPP represents a currency exchange rate that equalizes the purchasing power of different currencies so that costs of goods and services can be compared. In looking at some of the details of personal expenditure, Americans had to spend 69 cents for food and beverages that Canadians had to spend $1 to purchase. Conversely, Americans spent $1.33 on health services per $1 Canadians spent.

US Economy

Fourth quarter US real GDP advances…

Preliminary estimates show that the US economy grew 3.2% (annualized rate) in the fourth quarter of 2010 which was in line with market expectations. Much of this growth was in business spending on equipment and software (5.8%), personal consumption expenditures (4.4%) and non-residential fixed investment (4.4%). The US trade balance improved in the fourth quarter as exports increased 8.5% and imports decreased 13.6%.

US real GDP increased 2.9% in 2010 in contrast to a decrease of 2.6% in 2009. This growth reflected increases in private inventory investment, exports, personal consumption expenditures, non-residential fixed investment, and federal government spending which were partly offset by an increase in imports.

Current Economic Indicators

Population	2008	2009	2010Ytd	Jul	Aug	Sep	Oct	Nov	Dec
Population [1] (000's) (level)	3,591	3,671	3,735	3,721	--	--	3,735	--	
% change	2.2	2.2	1.4	1.4	--	--	1.4	--	
Net Interprovincial Migraton [1] (level)	15,317	13,184	-2,183	2,820	--	--	1,155	--	
Net International Migration [1] (level)	15,641	16,835	21,533	8,035	--	--	6,361	--	
Net Non-permanent Residents [1] (level)	18,611	19,162	-77	-753	--	--	-1,643	--	
Labour Market									
Employment (000's)	2,013	1,988	1,997	2,009	2,004	2,004	2,021	2,019	2,016
% change	2.8	-1.3	0.4	1.1	1.1	0.8	2.5	1.7	1.1
Unemployment Rate (%)	3.6	6.6	6.5	6.3	6.5	6.2	6.0	5.6	5.6
Participation Rate (%)	74.7	74.3	73	73.1	73.0	72.7	73.1	72.6	72.3
Average Weekly Earnings ($) NEW!	923.21	950.13	993.00	985.81	999.86	996.80	1009.35	1016.27	
% change	6.0	2.9	4.5	4.7	7.0	4.6	6.3	5.6	--
Price Indices									
Consumer Price Index NEW!	3.2	-0.1	1.0	1.5	0.6	0.9	1.2	0.1	0.8
Excluding food and energy	2.1	1.4	0.8	0.8	0.5	0.2	0.5	0.4	0.4
Non-Res. Cons. Cost Index [2] (quarterly)	13.2	-9.8	-0.9	1.8	--	--	--	--	--
Farm Product Price Index	12.9	-10.6	-10.8	-7.0	-6.4	--	--	--	--
Crops	30.1	-18.9	-23.7	-24.1	-24.1	--	--	--	--
Livestock	1.9	-2.8	-0.1	7.2	8.1	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	27.0	29.3	23.5	27.2	25.3	21.1	21.3
% change	-39.6	-31.6	35.0	51.0	13.5	12.2	-11	-25.9	-22.8
New Housing Price Index	0.7	-9.0	0.4	1.5	1.5	1.4	1.0	0.9	--
Edmonton	1.0	-11.2	-0.9	0.2	0.5	0.7	1.0	1.0	--
Calgary	0.6	-6.7	1.8	2.7	2.4	2.1	1.1	0.8	--
MLS Average Resale Prices ($ 000's)	351.4	340.5	352.3	351.8	348.4	354.9	347.6	352.7	348.0
% change	-1.5	-3.1	3.5	3.1	-0.5	0.4	-2	-1	-2.8
Edmonton	330.8	319.1	328.8	325	329.7	327.7	324.7	329.9	321.4
% change	-2.0	-3.5	2.6	1.5	2.6	-0.7	-0.6	0	-2.6
Calgary	401.1	384.3	399.1	402.7	390.8	409	395.2	401.6	394.9
% change	-2.9	-4.2	3.9	5.5	-0.8	1.6	-1.5	-0.6	-3.3
Retail Sales [3]	0.2	-8.3	5.5	4.5	5.1	6.1	3.9	11.7	--
New Motor Vehicle Sales	-7.3	-21.7	10.2	10.0	14.8	14.4	1.1	18.0	--
Consumer Bankruptcies	6,066	9,986	6,964	626	615	732	700	--	--
% change	27.2	64.6	-19.6	-28.2	-30.3	-37.1	1.4	--	--
Business Sector									
Rigs Drilling	236	128	207	199	222	177	260	276	269
% change	-2.1	-45.6	61.3	135.2	130.3	59.3	101.4	81.5	18.5
Goods Exports (customs based)	35.0	-36.3	12.1	6.1	11.4	5.5	6.4	1.5	--
Energy	43.2	-40.1	16.9	5.1	12.5	3.2	1.6	-2.6	--
Agriculture	31.8	-10.2	-9.2	-3.3	-8.4	0.8	6.5	9.6	--
Total Farm Cash Receipts (quarterly)	17.3	-7.5	-7.1	-15.6	--	--	2.6	--	--
Manufacturing Shipments	6.9	-23.7	10.3	14.6	15.2	15.7	16.4	13.7	--
Wholesale Trade [4]	9.5	-15.9	10.4	12.5	20.8	20.4	20.6	30.7	--
Building Permits	-16.5	-14.2	3.5	10.1	3.5	-10.7	-39.3	-25.0	--
Residential	-31.5	-11.8	26.3	19.4	-12.1	-19.6	-22.7	-21.2	--
Non-residential	3.7	-16.3	-18.2	-3.0	39.2	7.2	-52.5	-29.6	--
Business Bankruptcies	447	405	315	27	30	34	24	--	--
% change	-0.4	-9.4	-7.6	-22.9	-9.1	-2.9	-27.3	--	--

Government of Alberta ■
Finance and Enterprise

Alberta ■

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] Average of Calgary and Edmonton

[3] The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

[4] The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province